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UNCLAS SECTION 01 OF 02 CHENNAI 000340

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SUBJECT: TELECOM MINISTER DAYANIDHI MARAN RESIGNS; NO IMMEDIATE
IMPACT ON THE DMK PARTY OR UPA ALLIANCE

REF: Chennai 337

1. (SBU) SUMMARY: Union Communication and Information Technology Minister, the high-profile Dayanidhi Maran sent his resignation to Prime Minister Singh after losing the support of his own DMK party. Maran's fall from the favor of Tamil Nadu Chief Minister and DMK party leader Karunanidhi (who also is Maran's grand-uncle) came after a newspaper owned by Maran's family published a controversial survey on DMK succession (reftel). In New Delhi, Maran's demise is expected to boost Union Highways Minister T.R. Balu and Union Environment Minister A. Raja as the DMK's top leaders at the center, at least over the short term. It will not alter DMK support for the UPA coalition. Maran's lack of popular base in Tamil Nadu rules out any major split in the DMK, but it remains to be seen how the large media empire the Maran family controls, hitherto a pillar of support to the DMK, will impact the party fortunes in the coming years. END SUMMARY.

MARAN FALLS FROM THE PATRIARCH'S GRACE

2. (SBU) On May 13, Communication and IT Minister Dayanidhi Maran resigned from the Union Cabinet after an emergency meeting of DMK Administrative Committee formally decided to remove him from the post. The decision was the immediate fallout of a controversial public opinion poll on the touchy subject of DMK succession that Maran's family-owned newspaper published in defiance of DMK supreme leader and Maran's grand-uncle, Chief Minister Karunanidhi (reftel). Not satisfied with stripping Maran of his cabinet post, the DMK meeting also decided to ask him to show cause as to why he should not be removed from primary membership in the party. Maran was not present at the meeting; he had retreated to a hill-station after he sensed the anger of Karunanidhi and his immediate family. Maran also was noticeably absent from the grand public meeting on May 11 at which Prime Minister Singh and Congress President Sonia Gandhi honored Karunanidhi on the 50th anniversary of his assembly membership. In contrast, Azhagiri, the Karunanidhi son whose supporters attacked the newspaper and caused three deaths, was seen prominently seated in the DMK meeting along with senior DMK ministers.

3. (SBU) It is not clear to what extent Dayanidhi Maran was involved in the publication of the survey since the newspaper "Dinakaran" and the Sun TV network are in fact owned by his older brother Kalanidhi Maran. Media sources believe that the Maran brothers' objective behind the publication of the survey was to drive a wedge between the two sons of Karunanidhi, M.K. Stalin and M.K. Azhagiri so that Dayanidhi Maran could retain effective control of DMK decision making. Azhagiri's supporters, however, directed their anger at the Marans' media empire, while Stalin and Karunanidhi also blamed the Marans for having instigated the sequence of events. Newspaper reports indicate that the Sun TV, which currently works from the DMK

party headquarters building, will soon shift to another location.

THE MARANS' GROWING CLOUT THREATENED KARUNANIDHI'S SONS

¶4. (SBU) A DMK insider who works closely with Karunanidhi-Maran families told Post that distrust between Karunanidhi's sons and the Maran brothers had been growing. According to the insider, Stalin and Azhagiri felt threatened by the growing money and media power of the Marans, and they were waiting for an opportunity to cut the Marans down to size. With a \$2.6 billion net worth, older brother Kalanidhi Maran is one of the richest Indians and ranked 349th in the Forbes list of world billionaires. The Sun Network has 22 channels in four south Indian languages broadcasting news, serials, and popular entertainment to tens of millions of viewers. The media empire also has seven FM Radio stations, two daily newspapers and four magazines.

UNION MINISTERS RAJA AND BALU MAY FILL THE VOID

¶5. (SBU) According to DMK sources, two Union Ministers of the DMK -- A Raja and T.R. Balu -- are likely to get a boost in the wake of the fall of Maran. A DMK source said the party is likely to request the Center to temporarily hand over the IT and Communications portfolios to Union Environment Minister A. Raja "who is in the good books of Karunanidhi." T.R. Balu, Minister of Highways, is likely to become the DMK's point person in New Delhi and its key agent for relations with the UPA. Rumors are rife that the DMK will soon elect Karunanidhi's daughter Kanimozhi as a Member of the Rajya Sabha, but our DMK sources believe it will take some time for Kanimozhi to be ready for a senior ministership in New Delhi. (Kanimozhi is the

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daughter of Karunanidhi's "unofficial wife" and a half-sister of Stalin and Azhagiri.)

NO CADRE SUPPORT FOR DAYANIDHI, SO NO PARTY SPLIT

¶6. (SBU) COMMENT: Unlike Karunanidhi's sons Stalin and, to a lesser extent Azhagiri, Dayanidhi Maran has little support among the DMK cadre who see him as too elitist and out of sync with grass-root politics. For that reason, his removal from the cabinet post or even from the party is unlikely to result in any serious split in the DMK. That said, it remains to be seen what impact the Sun media empire's estrangement will have on the fortunes of the DMK party. Hitherto, Sun TV (sharing the electoral symbol of the DMK party as its emblem) has been a pillar of support to the DMK at crucial times such as elections and Karunanidhi's midnight arrest by the police when AIADMK rival Jayalalithaa was in power.

¶7. (SBU) COMMENT CONTINUED: Technology savvy Dayanidhi Maran had been very effective in attracting investments to Tamil Nadu ever since he became Union Minister in 2004. The DMK has no good replacements for him to carry out that role and will have to go back to its dependency on bureaucrats to accomplish the task. END
COMMENT

HOPPER